

**STATE OF WISCONSIN
STATE ACCOUNTING MANUAL**

SECTION:	IV Encumbrances	EFFECTIVE DATE:	July 1, 1993
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ENCUMBRANCES

The following points should be considered to avoid any problems with the encumbrance accounting process:

- a. Only contracts and orders of \$100 or more are required to be encumbered.
- b. The liquidation should be to the same detailed account as the encumbrance.
- c. When referencing an encumbrance (PO or PD) from a payment voucher, use the Partial/Final indicator on the detail accounting line to indicate a final payment. This will close the entire encumbrance. Because of this functionality, the encumbrance is closed for the encumbered amount, but the liquidation or expenditure can be for the invoice amount (which may be greater or less than the encumbrance).
